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LISTING STATEMENT No. 2289

LISTED APRIL 16, 1968

12,348,631 common shares without nominal or par value, of which 230,000 shares are subject to issuance.

Stock Symbol "BRN"

Post Section 4.3

Dial Quotation No. 1241

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

BRITISH NEWFOUNDLAND CORPORATION LIMITED

Incorporated under the Laws of the Province of Newfoundland by Memorandum and Articles of Association dated April 17, 1953.

CAPITALIZATION AS AT MARCH 25, 1968

SHARE CAPITAL

	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common Shares without nominal or par value	19,999,988	12,118,631	12,348,631*

*of which 230,000 are subject to issuance.

FUNDED DEBT

Nil

1. APPLICATION

BRITISH NEWFOUNDLAND CORPORATION LIMITED (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 12,348,631 Common Shares without nominal or par value in the capital stock of the Company of which 12,118,631 have been issued and are outstanding as fully paid and non-assessable. The remaining 230,000 Common Shares included in this application have been reserved as follows:

(a) Employee's Stock Option at \$4.00 per share expiring August 24, 1970	5,000
(b) Reserved for granting of options to employees (Item 11)	225,000
	230,000

2. HISTORY

The Company was incorporated on April 17, 1953 under the laws of the Province of Newfoundland. The original shareholders of the Company were a group of seven British and Canadian industrial, banking and mining companies under the leadership of N. M. Rothschild & Sons and included Anglo American Corporation of South Africa, Limited, Anglo-Newfoundland Development Company Limited, The Bowater Paper Corporation Limited, The English Electric Company Limited, Frobisher Limited and The Rio Tinto Company Limited.

The Company has presently in excess of 19,000 shareholders of which more than 90% have registered Canadian addresses. As at December 31, 1967, the geographic distribution of the Common Shares of the Company, as evidenced by its share registers, was approximately as follows:

Canada	70%
United Kingdom	25%
United States of America	3%
Others	2%

The Company is engaged in the development production and sale of hydro electric power through its partly owned subsidiary Churchill Falls (Labrador) Corporation Limited ("Churchill Falls") and an affiliated company Twin Falls Power Corporation Limited ("Twin Falls"), and the exploration, development and mining of mineral resources through its wholly owned subsidiary British Newfoundland Exploration Limited ("Brinex").

In 1953 the Province of Newfoundland granted to the Company options on extensive water power, mineral and woodland concessions on the island of Newfoundland and in Labrador. The Company has since relinquished its water power concessions on the island of Newfoundland and expects to surrender its woodland concessions in Labrador.

Water Power Concessions

In 1958 the Company transferred to Churchill Falls all its rights, options and assets relating to the water power potential of the upper Churchill River and watershed in Labrador. By a lease dated May 16, 1961 and authorized by an Act of the Province of Newfoundland, Churchill Falls was granted the exclusive right to develop the water power potential of the upper Churchill River for a term of 99 years renewable at the option of Churchill Falls for a further term of 99 years. This Act and the lease, as amended from time to time, granted and conveyed to Churchill Falls (a) the right to flood and acquire the land necessary for the development of the proposed hydro electric plant, (b) the right to export power from the Province of Newfoundland, (c) an exemption for the original term of the proposed power contract between Churchill Falls and Hydro-Quebec from any new taxes and from any increases in existing taxes, both provincial and municipal, after July 14, 1966, (d) the right, after July 14, 1966 and for the original term of the said power contract, to certain rebates of income taxes, (e) an exemption from the provisions of The Public Utilities Act, 1964 (Newfoundland) in respect to the financing and construction of the proposed hydro electric plant and the supply of power therefrom to its principal customers, and (f) an exemption from Newfoundland sales and gasoline taxes in respect of construction of the proposed hydro electric plant.

Churchill Falls has subleased to Twin Falls the right to develop at the site of the Twin Falls Plant the water power potential of the Unknown River a tributary of the upper Churchill River. Twin Falls presently supplies power under long term contracts to Iron Ore Company of Canada and a joint venture of prominent United States and Canadian steel companies known as Wabush Mines.

Further particulars of the capitalization and operations of Churchill Falls and Twin Falls are set forth under the heading "Subsidiary and Affiliated Companies" — (Item 9).

In 1967 the Province of Newfoundland authorized by legislation the grant to the Company of a lease to develop the water power potential of the lower Churchill River and watershed for a term of 99 years renewable at the option of the Company for a further term of 99 years. This lease has not yet been executed although the terms thereof are set forth in the Schedule to the Act No. 73 of 1966-67 of the Statutes of Newfoundland.

Independent engineering studies commissioned by the Company have provisionally estimated the power potential of the lower Churchill River at 15.36 billion kilowatthours per annum after completion of the hydro electric plant and related facilities on the upper Churchill River.

Mineral Concessions

In 1955 the Company assigned to Brinex the mineral rights granted to the Company by the Government of Newfoundland. The mineral exploration lease issued by the Government of Newfoundland presently covers an area of 40,367 square miles in Labrador and 5,977 square miles on the island of Newfoundland. The term of this lease currently expires in 1975. However, the Province of Newfoundland has by legislation authorized the extension of the term to September 25, 1985, although the appropriate amendment has not yet been executed.

Brinex has acquired several additional mineral concessions in Labrador and on the island of Newfoundland including the right to an oil and gas exploration concession covering 7,000 square miles along the west coast of the island of Newfoundland and limited off-shore areas.

Further particulars of the capitalization and operations of Brinex are set forth under the heading "Subsidiary and Affiliated Companies" — (Item 9).

Under an agreement dated October 31, 1966 between the Company, Churchill Falls and Rio Algom Mines Limited, the latter is obliged to provide certain services to the Company and Churchill Falls with respect to the development of the Churchill Falls Power Project and the development of other rights and concessions held by the Company, such services to include the assignment to the Company, and Churchill Falls of senior executive personnel and the utilization of the managerial, operational and technical skills of Rio Algom Mines Limited and those to which it has access through its association with The Rio Tinto group of companies.

This agreement obliges the Company and Churchill Falls to pay to Rio Algom Mines Limited a fee at the rate of \$1,000,000 annually from November 1, 1966 until December 31, 1971 and thereafter a fee at the rate of \$600,000 annually until the agreement is terminated, which termination may not occur prior to December 31, 1975. Except for the expenses and disbursements of Rio Algom Mines Limited which are reimbursable on a quarterly basis, the payment of the fees is postponed until the receipt by Churchill Falls of some portion of the proceeds of any long-term debt financing arranged in connection with the Churchill Falls Power Project, whereupon the balance to that date of the accumulated and unpaid fees (after deduction of the expenses and disbursements theretofore reimbursed) is payable in full.

By an agreement dated as of April 1, 1967, terminable upon six months' notice, the Company and Churchill Falls have agreed that the whole of the fees payable to Rio Algom Mines Limited as aforesaid will be paid by Churchill Falls and that the Company will pay to Churchill Falls a fee at the rate of \$100,000 annually in consideration of services being rendered or provided to the Company by Churchill Falls.

The Company was incorporated under the laws of the Province of Newfoundland on April 17, 1953 by Memorandum and Articles of Association with an authorized capital of 10,000,000 shares without nominal or par value.

By Special Resolution confirmed on January 16, 1956 the authorized capital of the Company was divided into 3,175,812 shares designated "Founders Shares" carrying ten votes per share and 6,824,188 shares designated "Common Shares" carrying one vote per share, all without nominal or par value.

By Special Resolution confirmed on July 15, 1964 the authorized capital of the Company was increased to 20,000,000 shares without nominal or par value by the creation of an additional 10,000,000 Common Shares.

Pursuant to an Arrangement under The Companies Act (Newfoundland) between the Company and the holders of its Founders Shares and the holders of its Common Shares dated March 1, 1967 and confirmed by Order of the Supreme Court of Newfoundland dated June 23, 1967 (registered June 28, 1967) the authorized capital of the Company was reduced by the cancellation of 12 issued and outstanding Founders Shares and the remaining 3,175,800 outstanding Founders Shares were sub-divided and changed into 3,334,590 Common Shares on the basis of 21 Common Shares for each 20 Founders Shares.

The authorized capital of the Company presently consists of 19,999,988 Common Shares without nominal or par value of which 12,118,631 Common Shares have been issued and are outstanding as fully paid and non-assessable.

5. SHARE ISSUES DURING PAST TEN YEARS

Date of Issue	No. of Common Shares	Amount Realized Per Share	Total Amount Realized	Purpose of Issue
Apr. 1, 1958-Mar. 31, 1959	39,300	\$1.00	\$ 39,300	Exercise of Employees' Stock Options.
Apr. 1, 1959-Mar. 31, 1960	15,725	\$1.00	\$ 15,725	Exercise of Employees' Stock Options.
Apr. 1, 1960-Mar. 31, 1961	8,000	\$1.00	\$ 8,000	Exercise of Employees' Stock Options.
Apr. 1, 1961-Mar. 31, 1962	9,000	\$1.00	\$ 9,000	Exercise of Employees' Stock Options.
Aug. 27, 1962	2,070,793	\$1.50	\$3,106,190	Rights issue to shareholders. Proceeds were used for advances to Brinex for development of Whalesback Mine and general corporate purposes.
Apr. 1, 1962-Dec. 31, 1962	26,350	\$1.00	\$ 26,350	Exercise of Employees' Stock Options.
Dec. 5, 1963	185,000	\$3.00	\$ 555,000	To Rio Algom Mines Limited pursuant to Agreement dated Aug. 1, 1963. Proceeds were used for general corporate purposes.
Oct. 23, 1964	2,755,350	\$3.00	\$8,266,050	Rights issue to shareholders. Proceeds were used to subscribe for shares in Churchill Falls, additional advances to Brinex for Whalesback Mine and general corporate purposes.
Jan. 1, 1966-Dec. 31, 1966	20,000	\$4.00	\$ 80,000	Exercise of Employees' Stock Options.
June 28, 1967	3,334,590	Exchange of Founders Shares for Common Shares on the basis of 21 Common Shares for each 20 Founders Shares pursuant to Arrangement dated March 1, 1967.		To eliminate preferential voting rights attached to Founders Shares.

6. STOCK PROVISIONS AND VOTING POWERS

Each Common Share carries one vote at all meetings of shareholders of the Company.

7. DIVIDEND RECORD

The Company has not declared or paid any dividend on its shares.

8. RECORD OF PROPERTIES

The Company does not own any immoveable property.

Reference is made to the heading "Nature of Business" (Item 3) for the leases and concessions held by the Company and its subsidiaries.

9. SUBSIDIARY AND AFFILIATED COMPANIES

Subsidiaries

(a) Churchill Falls (Labrador) Corporation Limited

Churchill Falls was incorporated under the laws of Canada by Letters Patent dated January 31, 1958, and has an authorized capital of 10,000,000 Common Shares without nominal or par value of which 3,593,332 Common Shares have been issued and are outstanding as fully paid and non-assessable representing a paid up capital of \$20,399,980, and 2,500,000 Common Shares have been issued at a price of \$15.00 per share of which 10% has been paid, the remaining 90% being subject to call by the Directors of Churchill Falls. The Company owns 63.3% of the outstanding Common Shares of Churchill Falls.

Churchill Falls is engaged in the development of a hydro electric plant on the upper Churchill River in Labrador which will be capable of generating approximately 34.5 billion kilowatthours per annum. The Project is estimated to cost in the range of \$800-900 million.

In 1966 Hydro-Quebec signed a Letter of Intent to purchase substantially all the power to be generated at the Churchill Falls plant and the terms and conditions of a long term power contract between Churchill Falls and Hydro-Quebec are presently being drafted.

(b) British Newfoundland Exploration Limited

Brinex was incorporated under the laws of Canada by Letters Patent dated September 9, 1955 and has an authorized capital of 50,000 shares without nominal or par value of which 5,000 shares have been issued and are outstanding as fully paid and non-assessable representing a paid up capital of \$5,000. All the outstanding shares of Brinex (except directors' qualifying shares) are owned by the Company.

Brinex, on its own account and under several joint venture agreements, is engaged in the exploration of the areas covered by the mineral exploration lease and concessions referred to under the heading "Nature of Business" (Item 3). Current exploration expenditures of Brinex and joint venture partners approximate \$900,000 per annum.

In addition, Brinex owns and operates the Whalesback Mine located near Springdale on the island of Newfoundland and in which Brinex has invested \$7,200,000. This mine was brought into production in August 1965 with a designed mill capacity of 2,000 tons of copper ore per day.

(c) Little Deer Corporation Limited

Little Deer Corporation Limited was incorporated under the laws of Canada by Letters Patent dated July 19, 1966 and has an authorized capital of 50,000 shares without nominal or par value of which 100 shares have been issued and are outstanding as fully paid and non-assessable representing a paid up capital of \$100.00. Brinex owns all the outstanding shares of Little Deer Corporation Limited (except directors' qualifying shares).

Little Deer Corporation Limited is engaged in the exploration of a zone of copper mineralization at Little Deer Pond in the vicinity of the Whalesback Mine.

Little Deer Corporation Limited has had no earnings to date.

Affiliated Company

Twin Falls Power Corporation Limited

Twin Falls was incorporated under the laws of Canada by Letters Patent dated February 18, 1960 and has an authorized capital of 500,000 Class A Shares of the par value of \$10.00 each and 1,000,000 Class B Shares of the par value of \$10.00 each. There are presently issued and outstanding 250,000 fully paid and non-assessable Class A Shares all of which are owned by Churchill Falls and 500,000 fully paid and non-assessable Class B Shares which are owned by Iron Ore Company of Canada and the members of Wabush Mines. The aggregate paid up capital of Twin Falls is \$7,500,000.

Churchill Falls has voting control of Twin Falls through its ownership of the Class A Shares which carry the right to 4 votes per share. In all other respects the Class A Shares and Class B Shares of Twin Falls rank "pari passu".

The installed capacity of the Twin Falls hydro electric plant is currently being increased from 240,000 horsepower to approximately 300,000 horsepower at an estimated cost of \$11,700,000. Upon completion of this expansion, the total cost of the Twin Falls plant will approximate \$60,000,000.

Churchill Falls has the right to suspend the rights subleased to Twin Falls ("Nature of Business" — Item 3) and use the water flow for generation of power at its own hydro electric plant. During such suspension Churchill Falls must, subject to certain conditions, deliver power to Twin Falls and may at its option operate the Twin Falls plant so as to effect maximum utilization of available water flows.

10. FUNDED DEBT

Company	Nil
Subsidiaries	
Churchill Falls	Nil
Brinex	Nil
Little Deer Corporation Limited	Nil
Affiliated Company	
Twin Falls	

First Mortgage Bonds	Authorized	Outstanding	Interest Date
5½ % Series A due June 30, 1986	\$42,500,000 (U.S.)	\$36,196,000 (U.S.)	June 30 & December 31
6¼ % Series B due June 30, 1989	\$10,000,000 (U.S.)	\$ 7,000,000 (U.S.)	June 30 & December 31

Security

First Mortgage Bonds in an unlimited principal amount may be issued under a Deed of Trust and Mortgage dated November 15, 1961 (as amended by supplemental indentures dated April 15, 1963 and November 30, 1967) between Twin Falls and The Royal Trust Company as trustee, which First Mortgage Bonds are expressed to be secured by a first fixed and specific mortgage, pledge and charge on (i) all real and immoveable property owned or subsequently acquired, and (ii) long-term power and other contracts, and a first floating charge on all other assets and the undertaking of Twin Falls.

Redemption

The Series A Bonds are redeemable prior to maturity at the option of Twin Falls as a whole at any time or in part from time to time, in amounts of not less than \$500,000 (U.S.) upon payment of the principal amounts thereof and interest accrued to the redemption date together with premiums on such principal amount as follows:

36 months' period beginning June 30	Premium
1961	5 $\frac{5}{8}$ %
1964	4 $\frac{7}{8}$ %
1967	4 %
1970	3 $\frac{1}{4}$ %
1973	2 $\frac{1}{2}$ %
1976	1 $\frac{5}{8}$ %
1979	7 $\frac{7}{8}$ %

and thereafter without premium.

The Series B Bonds are redeemable prior to maturity at the option of the Company as a whole at any time or in part from time to time in amounts of not less than \$100,000 (U.S.) upon payment of the principal amount thereof and interest accrued thereon to the redemption date together with premiums on such principal amount as follows:

36 months' period beginning June 30	Premium
1967	6 $\frac{1}{4}$ %
1970	5 $\frac{1}{4}$ %
1973	4 $\frac{1}{4}$ %
1976	3 $\frac{1}{4}$ %
1979	2 $\frac{1}{2}$ %
1982	1 $\frac{1}{4}$ %

and thereafter without premium.

The said Deed of Trust and Mortgage also provides for optional sinking fund retirements of each Series, subject to certain limitations, without premium.

11. OPTIONS, ETC.

Otherwise than as set forth below there are no outstanding contracts or agreements with respect to any unissued shares of the Company. There are no outstanding underwriting agreements. No issued shares of the Company are held for its benefit.

Employees' Stock Option Plan

On October 2, 1963, the Board of Directors of the Company approved a stock option plan for employees of the Company and reserved 250,000 Common Shares for this purpose. This plan was approved by the shareholders of the Company on May 5, 1964.

In 1966, the Board of Directors granted options pursuant to this plan on an aggregate of 25,000 Common Shares at a price of \$4.00 per share exercisable until August 24, 1970. At the date hereof, an option on 5,000 Common Shares remains unexercised.

An aggregate of 225,000 Common Shares of the Company remain reserved for the grant of options to employees pursuant to the said plan.

12. LISTING ON OTHER STOCK EXCHANGES

The Common Shares of the Company referred to in this application are listed on the Montreal Stock Exchange.

No shares of the companies referred to under the heading "Subsidiary and Affiliated Companies" (Item 9) are listed on any stock exchange.

13. STATUS UNDER SECURITIES ACTS

All issues of shares by the Company have, from time to time as required by law, been registered with the Ontario Securities Commission and other appropriate securities commissions in Canada.

A copy of the prospectus published in connection with each of the 1962 and 1964 rights issues by the Company was delivered to the Registrar of Companies in England for registration in accordance with The Companies Act, 1948 (United Kingdom).

14. FISCAL YEAR

The fiscal year of the Company ends on December 31st in each year.

15.

ANNUAL MEETING

The Articles of Association of the Company provide that its annual meeting shall be held at such time and place as the Board of Directors may from time to time determine.

The last annual meeting of the Company was held on May 10, 1967. An annual meeting has been called for April 10, 1968 in Montreal.

16.

HEAD AND OTHER OFFICES

The registered office of the Company is 1 Viking Road, St. John's, Newfoundland and the executive offices are located at One Westmount Square, Westmount, Quebec.

The Company has no other offices.

17.

TRANSFER AGENT

The transfer agent of the Company is The Royal Trust Company at its following offices:

247 Duckworth St., St. John's, Newfoundland

630 Dorchester Blvd. West, Montreal, Quebec

119 Adelaide St. West, Toronto, Ontario

Shares of the Company are interchangeably transferable at the foregoing offices of The Royal Trust Company.

However, in the case of transmission by death, shares are transferable only on the principal register at St. John's, Newfoundland, in accordance with Section 30 (8) of The Companies Act (Newfoundland).

18.

TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19.

REGISTRAR

The registrar of the Company is The Royal Trust Company.

The principal register is at the office of The Royal Trust Company, 247 Duckworth Street, St. John's, Newfoundland, and branch registers are located at the offices of The Royal Trust Company at 630 Dorchester Blvd. West, Montreal, Quebec, and 119 Adelaide Street West, Toronto, Ontario.

20.

AUDITORS

The auditors of the Company are Peat, Marwick, Mitchell & Co., Chartered Accountants, 1155 Dorchester Blvd. West, Montreal, Quebec.

21.

OFFICERS

The Officers of the Company are

NAME	OFFICE	HOME ADDRESS
Henry Borden, C.M.G., Q.C.	Chairman	18 Edmund Avenue, Toronto, Ontario
Donald Gordon, C.M.G.	President and Chief Executive Officer	172 Edgehill Road, Westmount, Quebec
Edmund Leopold de Rothschild, T.D.	Deputy Chairman	Inchmery House, Exbury, Southampton, Hampshire, England
Michael Franklin Nicholson	Vice-President and General Manager	8 Hudson Avenue, Westmount, Quebec
Donald Joseph McParland	Vice-President	342 Kitchener Avenue, Westmount, Quebec
Eric Gordon Lambert	Vice-President (Finance)	355 Beverley Avenue, Town of Mount Royal, Quebec
Charles Terrill Manning	Vice-President (Legal) and Secretary	341 Ballantyne Avenue North, Montreal West, Quebec
Miles Carleton Burnes	Treasurer	95 Sunderland Avenue, Pointe Claire, Quebec
Alexander Bennett Thomson	Assistant Secretary	306 Roslyn Avenue, Westmount, Quebec
Gordon Randle Devey	Assistant Secretary	119 Blenheim Place, Westmount, Quebec
Alasdair Blair Lindsay	Assistant Treasurer	13103 Edison Street, Pierrefonds, Quebec

Except as otherwise indicated below the Officers of the Company have been employees of the Company for the last five years.

Henry Borden was President and Chief Executive Officer of the Company from February 1966 to February 1967. Prior thereto he was Chairman of Brazilian Traction Light and Power Company Limited.

Donald Gordon was Chairman and President of Canadian National Railways prior to his appointment as President and Chief Executive Officer of the Company in March 1967.

Edmund Leopold de Rothschild is the senior partner of N. M. Rothschild & Sons.

Michael Franklin Nicholson was Managing Director of Rio Tinto Management Services (South Africa) Pty. Limited prior to his appointment as Vice-President and General Manager of the Company in June 1964.

Donald Joseph McParland was Chief Engineer of Rio Algom Mines Limited prior to his appointment as a Vice-President of the Company in April 1964.

Eric Gordon Lambert was Vice-President and Chief Financial Officer of Canada Wire and Cable Company Limited prior to his appointment as Vice-President (Finance) of the Company in October 1966.

Alexander Bennett Thomson was Assistant Secretary of Aluminum Company of Canada Limited prior to his appointment as Assistant Secretary of the Company in November 1966.

Gordon Randle Devey was an Assistant Secretary of Rio Algom Mines Limited and was subsequently Executive Assistant to the President of Churchill Falls (Labrador) Corporation Limited prior to his appointment as an Assistant Secretary of the Company in February 1968.

22. DIRECTORS

The Directors of the Company are

NAME	HOME ADDRESS
Henry Borden, C.M.G., Q.C.	18 Edmund Avenue, Toronto, Ontario
Donald Gordon, C.M.G.	172 Edgehill Road, Westmount, Quebec
Edmund Leopold de Rothschild, T.D.	Inchmery House, Exbury, Southampton, Hampshire, England
John Norman Valette Duncan, O.B.E.	Edenbridge House, Edenbridge, Kent, England
Michael Franklin Nicholson	8 Hudson Avenue, Westmount, Quebec
Donald Joseph McParland	342 Kitchener Avenue, Westmount, Quebec
Senator Maurice Bourget	59 rue Saint-Etienne, Levis, Quebec
Gustav Peter Fleck	Campbell Road, Bernardsville, New Jersey, U.S.A.
Jacques Georges-Picot, K.B.E.	2, Square Mignot, Paris XVI, France
Sam Harris	14 East 75th Street, New York, New York, U.S.A.
John Hugh Mowbray Jones	250 Clarke Avenue, Westmount, Quebec
Paul Leonard de Laszlo, O.B.E.	Orchards, Munstead, Godalming, Surrey, England
Thomas Ross Moore	2435 Perodeau Avenue, Quebec, Quebec
Gordon Frizzell Pushie	2 Strawberry Marsh Road, St. John's, Newfoundland
Philip Shelbourne	34 Canonbury Park North, London, England
Harold Greville Smith, C.B.E.	3940 Cote des Neiges Road, Montreal, Quebec
Arthur Starratt Torrey	3468 Drummond Street, Montreal, Quebec

References to Henry Borden, Donald Gordon, Edmund Leopold de Rothschild, Michael Franklin Nicholson and Donald Joseph McParland are set forth under the heading "Officers" (Item 21).

John Norman Valette Duncan has been chairman and Chief Executive Officer of The Rio Tinto-Zinc Corporation Limited for the past three years and prior thereto was Managing Director of that company or its predecessor. He has been Chairman of the Executive Committee of the Company since February 1966.

Senator Maurice Bourget is a member of the Senate of Canada.

Gustav Peter Fleck is the Chairman of Amsterdam Overseas Corporation, and New Court Securities Corporation.

Jacques Georges-Picot is the Chairman of the Board and Managing Director of Compagnie Financiere de Suez et de l'Union Parisienne.

Sam Harris is a senior partner of Strasser, Spiegelberg, Fried & Frank, Attorneys at Law.

John Hugh Mowbray Jones is a Director of Bowaters Canadian Corporation Limited.

Paul Leonard de Laszlo is the Director of Corporate Affairs of The English Electric Company Limited.

Thomas Ross Moore is Chairman, President and Chief Executive Officer of The Price Company Limited.

Gordon Frizzell Pushie is an Industrial Consultant.

Philip Shelbourne is a partner of N. M. Rothschild & Sons.

Harold Greville Smith is President of Canadian International Investment Trust, Limited.

Arthur Starratt Torrey is Chairman of the Board of Pitfield, Mackay, Ross and Company Limited.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, British Newfoundland Corporation Limited hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned Officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

MONTREAL, MARCH 25, 1968.

BRITISH NEWFOUNDLAND CORPORATION LIMITED



“D. GORDON”, President

“C. T. MANNING”, Vice-President (Legal) and Secretary

Distribution of Common stock as of 5th March, 1968

Number	Shares
1783 Holders of 1 — 24 share lots	21,311
4581 " " 25 — 99 " "	210,968
6772 " " 100 — 199 " "	740,176
2531 " " 200 — 299 " "	535,022
890 " " 300 — 399 " "	279,571
372 " " 400 — 499 " "	152,762
1259 " " 500 — 999 " "	737,649
1172 " " 1000 — up " "	9,441,172
<u>19360</u> Shareholders	<u>Total shares 12,118,631</u>

FINANCIAL STATEMENTS

BRITISH NEWFOUNDLAND CORPORATION LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1967

ASSETS

CURRENT ASSETS:

Cash and short-term deposits	\$ 2,121,449
Accounts receivable (including \$199,456 from affiliate)	1,017,228
Supplies and prepaid expenses	385,476
Total current assets	3,524,153
Special refundable tax	140,531
Investment in shares of Twin Falls Power Corporation Limited, at cost (Note 1)	2,500,000
Land, buildings and equipment, at cost less accumulated depreciation (Note 2)	3,072,089
Churchill Falls power project, at cost less accumulated depreciation (Note 2)	38,807,954
Preproduction expenditures less amounts written off (Note 2)	1,856,908
Exploration expenditures less amounts written off (Note 2)	4,849,875
Expenditures on mineral, timber and water power rights and concessions less amounts written off (Note 2)	437,983
	49,024,809
Organization and financing expenses	1,001,551
	<u>\$56,191,044</u>

The accompanying notes are an integral part of the above consolidated balance sheet and should be read in conjunction therewith.

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$ 5,081,337
Bank loan	—
Accrued liabilities	431,304
Taxes payable	60,000
Total current liabilities	5,572,641

MINORITY SHAREHOLDERS' INTEREST IN SUBSIDIARY:

Advances bearing interest at 6¾ % per annum	10,730,138
Equity	9,061,183
	<u>19,791,321</u>

SHAREHOLDERS' EQUITY:

Capital stock (Note 3)	22,935,950
Retained earnings	2,245,213
Capital surplus arising on consolidation	5,645,919
	30,827,082
	<u>\$56,191,044</u>

Commitments and contingent liabilities (Note 4)

Approved on behalf of the Board:

"D. GORDON", Director.

"M. F. NICHOLSON", Director.

BRITISH NEWFOUNDLAND CORPORATION LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS
FOR THE FIVE YEARS ENDED DECEMBER 31, 1967

	1963	1964	1965	1966	1967
Sales of concentrates	\$ —	\$ —	\$1,423,621	\$5,232,686	\$4,202,004
REVENUE FROM MANAGEMENT SERVICES:					
Affiliated company	75,000	75,000	75,000	75,000	241,974
Other	—	205,014	314,949	248,190	1,932
Rental of rights and facilities from affiliated company	246,833	641,000	641,000	641,000	641,000
	<u>321,833</u>	<u>921,014</u>	<u>2,454,570</u>	<u>6,196,876</u>	<u>5,086,910</u>
Operating and administrative expenses..	75,346	670,056	1,017,109	2,556,602	2,532,141
Newfoundland rental	—	—	25,907	34,464	48,398
Depreciation and amortization	413,741	462,825	1,001,367	2,312,810	2,451,977
Operating profit (loss) for the year	(167,254)	(211,867)	410,187	1,293,000	54,394
Income from investments	78,298	26,064	145,846	135,647	23,162
Dividends from affiliated company	—	—	225,000	287,500	350,000
Interest on advances capitalized by subsidiary company	5,112	25,105	—	—	23,011
	<u>(83,844)</u>	<u>(160,698)</u>	<u>781,033</u>	<u>1,716,147</u>	<u>450,567</u>
Current income taxes (Note 5)	—	—	—	—	1,251
Net earnings (loss) for the year	(83,844)	(160,698)	781,033	1,716,147	449,316
Amount attributable to the minority shareholders	(30,774)	71,229	59,552	92,872	110,698
Net earnings (loss) for the year attributable to the shareholders of the Company	(53,070)	(231,927)	721,481	1,623,275	338,618
Retained earnings (deficit) at beginning of year	(153,164)	(206,234)	(438,161)	283,320	1,906,595
Retained earnings (deficit) at end of year	<u>\$(206,234)</u>	<u>(438,161)</u>	<u>283,320</u>	<u>1,906,595</u>	<u>2,245,213</u>

The accompanying notes are an integral part of the above consolidated statement of earnings and retained earnings and should be read in conjunction therewith.

AUDITORS' REPORT TO THE DIRECTORS

We have examined the consolidated balance sheet of British Newfoundland Corporation Limited and subsidiaries as at December 31, 1967 and the consolidated statement of earnings and retained earnings for the five years then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company and subsidiaries at December 31, 1967 and the results of their operations for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

Montreal, Que.
January 29, 1968.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants.

BRITISH NEWFOUNDLAND CORPORATION LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) PRINCIPLES OF CONSOLIDATION:

- (i) The consolidated financial statements include the accounts of British Newfoundland Exploration Limited ("Brinex") and its subsidiary company and Churchill Falls (Labrador) Corporation Limited ("Churchill Falls") on the basis of current holdings.
- (ii) Churchill Falls holds voting control of Twin Falls Power Corporation Limited ("Twin Falls"), through its ownership of all the Class A shares which carry four votes per share but these shares represent only one-third of the shareholders' interest in Twin Falls and therefore its assets and liabilities have not been included in the consolidated financial statements. Churchill Falls' share of the net earnings (loss) of Twin Falls and the dividends received for the period covered by the consolidated statement of earnings and retained earnings were as follows:

	Share of net earnings (loss)	Dividends received
1963	\$ 61,985	—
1964	(399)	—
1965	277,861	225,000
1966	305,870	287,500
1967	373,099	350,000

Churchill Falls' share of the retained earnings of Twin Falls at December 31, 1967 was \$208,640.

- (iii) Brinco's subsidiary, Southern Newfoundland Power & Development Limited, was wound up in 1965, therefore the earnings of this company have been excluded from the consolidated statement of earnings and retained earnings in the years ended December 31, 1963, 1964 and 1965 and it is reflected in the consolidated statement of source and application of funds only to include the proceeds of winding up.

(2) CAPITAL EXPENDITURES:

- (i) Churchill Falls power project

In 1966 certain expenditures were charged to the Churchill Falls power project whereas in previous years similar items were treated as expenses. However, an additional amount of depreciation was provided so that the change in accounting treatment did not cause any change in earnings. In 1967 Churchill Falls' accounts were adjusted to put all years on the same basis as 1966. Details of individual periods in the consolidated statement of earnings and retained earnings have been adjusted to reflect this change in the accounts. These adjustments did not affect retained earnings.

The additional amounts of depreciation provided were as follows:

Prior to 1963	\$388,484
1963	325,937
1964	431,091
1965	594,838

- (ii) Brinex exploration expenditures

Brinex commenced the amortization of its exploration expenditures in 1966. However, amortization has now been established at 10% per annum of the unamortized balance with effect retroactively from January 1, 1966, reducing the amount written off by \$59,085. The consolidated statement of earnings and retained earnings has been adjusted accordingly.

- (iii) Cost and accumulated depreciation and amortization

	Cost	Depreciation and amortization	Net
Land, buildings and equipment	\$ 4,517,349	\$1,445,260	\$ 3,072,089
Churchill Falls power project	42,231,079	3,423,125	38,807,954
Preproduction expenditures	2,950,565	1,093,657	1,856,908
Exploration expenditures	5,851,157	1,001,282	4,849,875
Expenditures on mineral and water power rights and concessions	536,546	98,563	437,983

(3) CAPITAL STOCK:

- (i) By Order of the Supreme Court of Newfoundland, the share capital of British Newfoundland Corporation Limited ("Brinco") was reduced as of June 28, 1967 by cancelling 12 issued and outstanding Founders Shares and the remaining 3,175,800 issued and outstanding Founders Shares were subdivided and changed into 3,334,590 Common Shares without nominal or par value on the basis of 21 Common Shares for each 20 Founders Shares.

BRITISH NEWFOUNDLAND CORPORATION LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—Continued

(ii) As at December 31, 1967

Common Shares without nominal or par value

	<u>Shares</u>	<u>Amount</u>
Authorized	19,999,988	
Issued	12,118,631	\$22,935,950

(iii) At December 31, 1967 225,000 Common Shares were reserved for the purpose of granting options to officers and employees and, at the same date, options granted in prior years on 5,000 Common Shares at \$4 per share exercisable until August 24, 1970 had not been taken up.

(4) COMMITMENTS AND CONTINGENT LIABILITIES:

(i) Brinco has subscribed for 1,705,175 common shares in Churchill Falls at \$15 per share of which \$1.50 was paid on allotment, the balance being uncalled at December 31, 1967 but being callable at any time thereafter. Brinco has reserved the right to advance the amounts uncalled from time to time to Churchill Falls at 6¾ % per annum. To provide funds for these advances, Brinco has arranged a line of credit with a Canadian chartered bank for \$21 million at 6¾ % against which it has pledged its investment in Brinex and Churchill Falls.

(ii) At December 31, 1967 Churchill Falls had entered into contracts related to the Churchill Falls power project of which the uncompleted portion amounted to \$114 million currently estimated to be payable (subject to certain conditions) as follows:

1968	\$30 million	1971	\$15 million	1974	\$6 million
1969	21 million	1972	13 million	1975	3 million
1970	19 million	1973	6 million	1976	1 million

(iii) In 1953 the Government of Newfoundland and Brinco entered into an agreement ("Principal Agreement") whereby Brinco was granted options on extensive water power, mineral and woodland concessions within the Province of Newfoundland.

Under the terms of the Principal Agreement, as amended, Brinco is obligated to pay to the Government of Newfoundland an annual rental equal to 8% of the consolidated net profits before income taxes (as defined) of Brinco and its subsidiaries resulting from the operation of the concessions and rights granted by the Principal Agreement. This obligation of Brinco does not apply insofar as the consolidated profits of Churchill Falls are concerned.

Under the terms of the Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961 and amendments thereto Churchill Falls has entered into a 99-year lease covering the water power potential of the Upper Churchill Watershed and is required to pay an annual rental of 8% of the consolidated net profits before income taxes (as defined) and an annual royalty of 50 cents per horsepower year generated (as defined).

(iv) The liabilities of Churchill Falls and Brinex under their pension plans for past services are being paid by annual instalments over 23 years. The payments for past service in 1967 were \$6,300. The total unfunded liability for past service is \$94,800.

(5) INCOME TAXES:

Provision for income taxes reflects the application of accumulated tax losses and Brinex's new mine tax exemption which terminates on August 31, 1968.

TORONTO STOCK EXCHANGE TORONTO

BULLETIN NO. 6706

April 11th, 1968

NEW LISTING

BRITISH NEWFOUNDLAND CORPORATION LIMITED

Application has been granted to list 12,348,631 common shares without nominal or par value of which 230,000 shares are subject to issuance. The shares will be posted for trading at the opening on Tuesday, April 16th. Stock symbol "BRN"; Post Section 4.3; Dial Quotation No. 1241.

Listing Statement No. 2289 is being prepared and will be available soon. The following is some of the information that will be in the listing statement:

Incorporated - under the laws of the Province of Newfoundland on April 17th, 1953. The original shareholders of the Company were a group of seven British and Canadian industrial, banking and mining companies under the leadership of N.M. Rothschild & Sons and included Anglo American Corporation of South Africa, Limited, Anglo-Newfoundland Development Company Limited, The Bowater Paper Corporation Limited, The English Electric Company Limited, Frobisher Limited and The Rio Tinto Company Limited.

Head Office - 1 Viking Road, St. John's, Newfoundland.

Transfer Agent and Registrar - The Royal Trust Company, St. John's, Newfoundland, Montreal and Toronto.

Nature of Business - The Company is engaged in the development, production and sale of hydro electric power through its partly owned subsidiary Churchill Falls (Labrador) Corporation Limited and an affiliated company Twin Falls Power Corporation Limited, and the exploration, development and mining of mineral resources through its wholly-owned subsidiary British Newfoundland Exploration Limited.

In 1953 the Province of Newfoundland granted to the Company options on extensive water power, mineral and woodland concessions on the island of Newfoundland and in Labrador. The Company has since relinquished its water power concessions on the island of Newfoundland and expects to surrender its woodland concessions in Labrador.

Officers

Chairman	- Henry Borden, C.M.G., Q.C., Toronto, Ont.
President & Chief Executive Officer	- Donald Gordon, C.M.G., Westmount, Que.
Deputy Chairman	- E.L. de Rothschild, T.D., Southampton, England.
Vice-President & General Mgr.	- M.F. Nicholson, Westmount, Que.
Vice-President	- D.J. McParland, Westmount, Que.
Vice-President (Finance)	- E.G. Lambert, Mount Royal, Que.
Vice-President (Legal) and Secretary	- C.T. Manning, Montreal, Que.
Treasurer	- M.C. Burnes, Pointe Claire, Que.
Assistant Secretary	- A.B. Thomson, Westmount, Que.
Assistant Secretary	- G.R. Devey, Westmount, Que.
Assistant Treasurer	- A.B. Lindsay, Pierrefonds, Que.

Directors - Henry Borden, C.M.G., Q.C., Donald Gordon, C.M.G., E.L. de Rothschild, T.D., M.F. Nicholson, D.J. McParland and the following

J.N.V. Duncan, O.B.E., Kent, England, Chairman and Chief Executive Officer of The Rio Tinto-Zinc Corporation Limited
 Sen. Maurice Bourget, Levis, Que., Member of Canadian Senate
 G.P. Fleck, New Jersey, U.S.A., Chairman of Amsterdam Overseas Corp.
 J. Georges-Picot, K.B.E., Paris, France, Chairman of the Board and Managing Director of Compagnie Financiere de Suez
 Sam Harris, New York, U.S.A., Senior partner of Strasser, Spiegelberg, Fried & Frank, Attorneys at Law.
 J.H.M. Jones, Westmount, Que., Director of Bowaters Canadian Corporation Limited
 P.L. De Laszlo, O.B.E., Surrey, England, Director of Corporate Affairs of The English Electric Company Limited
 T.R. Moore, Quebec, Que., Chairman, President and Chief Executive Officer of the Price Company Limited

April 11th, 1968

G.F. Pushie, St. John's, Newfoundland, Industrial Consultant
 Philip Shelbourne, London, England, Partner of N.M. Rothschild & Sons
 H.G. Smith, C.B.E., Montreal, Que., President of Canadian
 International Investment Trust, Limited
 A.S. Torrey, Montreal, Quebec, Chairman of the Board of Pitfield,
 Mackay, Ross and Company Limited.

Capitalization - as at March 25th, 1968

<u>Share Capital</u>	<u>Authorized</u>	<u>Issued and Outstanding</u>	<u>To Be Listed</u>
Common shares without nominal or par value	19,999,993	12,118,631	12,348,631*

* of which 230,000 are reserved as follows:

- (a) Employees' Stock Option at
\$4 per share expiring August 24, 1970 5,000
- (b) Reserved for granting of options
to employees 225,000

Earnings -Years ended December 31

1963	-	\$ 83,844	(loss)
1964	-	160,698	(loss)
1965	-	781,033	
1966	-	1,716,147	
1967	-	449,316	

Dividends - The Company has not declared or paid any dividend on its shares.Listings on other Exchanges - The shares of the Company are listed on the Montreal Stock Exchange.

BY ORDER OF THE BOARD OF GOVERNORS

J.R. KIMBER
President

G.T. Phipps, 87, John's, Newmarket, Industrial Commissioner
 Philip Thompson, London, England, Partner of M.M. Thompson & Sons
 H.B. Smith, C.B.A., Montreal, Pres. of Canadian
 International Investment Trust, Limited
 A.E. Torrey, Montreal, Chairman of the Board of Phipps,
 Mackay, Ross and Company Limited.

Capitalization - as at March 25th, 1933

Authorized	Issued and Outstanding	To be Paid
10,000,000	12,112,000	12,848,000

* of which 100,000 are reserved as follows:

- (a) Employees' Stock Option at
 25 per share expiring August 24, 1935 2,000
- (b) Reserved for granting of options
 to employees 200,000

Reserves -

Year ended December 31

1932	-	23,000 (loss)
1933	-	100,000 (loss)
1934	-	100,000
1935	-	1,718,000
1936	-	400,000

Dividends - The Company has not decided to pay any dividend on its shares.

Listing on other Exchanges - The shares of the Company are listed on the Montreal
 Stock Exchange.

J.A. KIRBY
 President

BY ORDER OF THE BOARD OF GOVERNORS